Capital Needs Assessment (CNA) e-Tool
Operational Bulletin 2019-01

TO: CNA e-Tool Stakeholders

SUBJECT: CNA e-Tool Update

1.   <u>What is the purpose of this Bulletin?</u>

Thank you to our industry partners for their feedback on the CNA e-Tool! Users identified many issues. The most important issues result from using an off-line Microsoft Excel spreadsheet as the tool for data entry in combination with an on-line validation and submission tool (This separation required editing and resubmitting the excel file for resubmissions).

Accordingly, a primary goal of CNA e-Tool 3.0 is to eliminate the Excel Assessment Tool by moving all data entry to the web. We are pleased to share that HUD expects to deploy a replatformed CNA e-Tool in Spring 2020. The improved system will provide user customization and dashboards, expanded narrative features, easy revise and resubmit ability, robust data transfer tools, and transparency for all users. This Bulletin provides instruction for users on how to prepare for release 3.0.

2.   <u>What should users do?</u>

At present, we have no precise date, but we expect Release 3.0 to "go live" in the Spring of 2020. Not less than 90 days prior to the "go live" date we will publish a "transition plan" detailing steps users should take to preserve and protect work in progress and how to prepare for the new version of the CNA e-Tool. To familiarize users with the new Tool, the plan will include a variety of training materials and a schedule of webinars, all of which will be posted to the CNA e-Tool Homepage.

<u>Needs Assessors</u>

In the meantime, only needs assessors have any immediate tasks to prepare for Release 3.0. Unlike the present CNA e-Tool, Needs Assessors will need a username and password so that they are authorized and authenticated to use Release 3.0 and will allow them to start preparing CNAs for Lenders, Public Housing Authorities (PHA), Participating Administrative Entities (PAE), and Project Rental Assistance Contracts (PRAC) within the system.

The first step in obtaining these user credentials is for each Needs Assessor firm to register their company in HUD's Active Partners Performance System (APPS), if they are not already registered. APPS allows HUD's external program participants to establish a unique identification for their firm.   Needs Assessor firms can go to the APPS Registration Page to complete the process. They will need to provide Company Name, TIN, Legal Structure, Ownership Type, Address, City, State, Zip, Country, Postal Code, Phone, and E-Mail address. Later, when we get closer to the deployment of Release 3.0, we will ask all Needs Assessor individuals to obtain Multifamily Participant Identification (M ID) credentials, but we do not recommend pursuing them at this time since IDs will expire without regular use.

3.   Suspension of Mandated Use of CNA e-Tool to Prepare 10-Year Update CNAs

As announced in this memo, owners of insured multifamily properties and their servicing lenders, who are required to submit a Capital Needs Assessment (CNA) for the insured property at intervals not greater than 10 years, may submit a hard copy to their local field office in lieu of a CNA prepared in the CNA e-Tool. This only applies until CNA e-Tool 3.0 is complete in the Spring of 2020.

4.   Updated CNA e-Tool Usage Statistics for Legacy System

As of June 30, 2019, almost 900 CNA applications have been approved.

Approved CNA's by Month Thru 06-30-2019
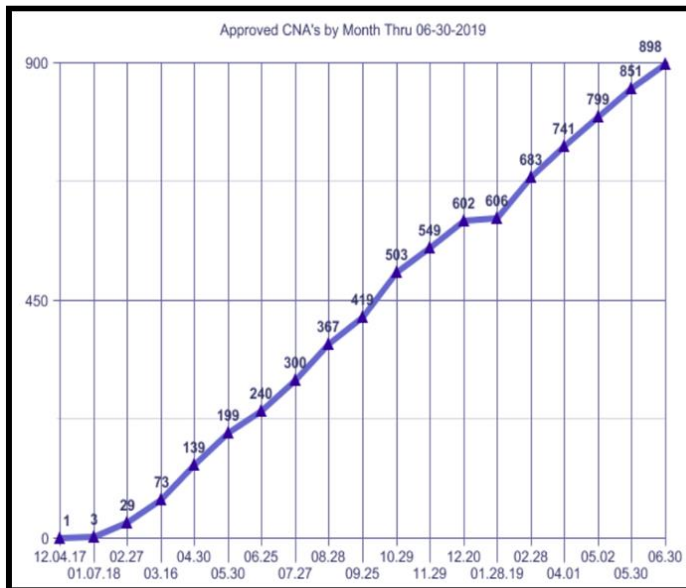
As of June 30, 2019, over 2,100 CNAs have been submitted. Most returned CNA's are revised and resubmitted. On average, each CNA application is submitted roughly 2.5 times. Most of the CNAs are not approved the first time, going through an average of 1 or 2 revisions in the legacy system.

CNA e-Tool Submissions by Month (2,119 Total)
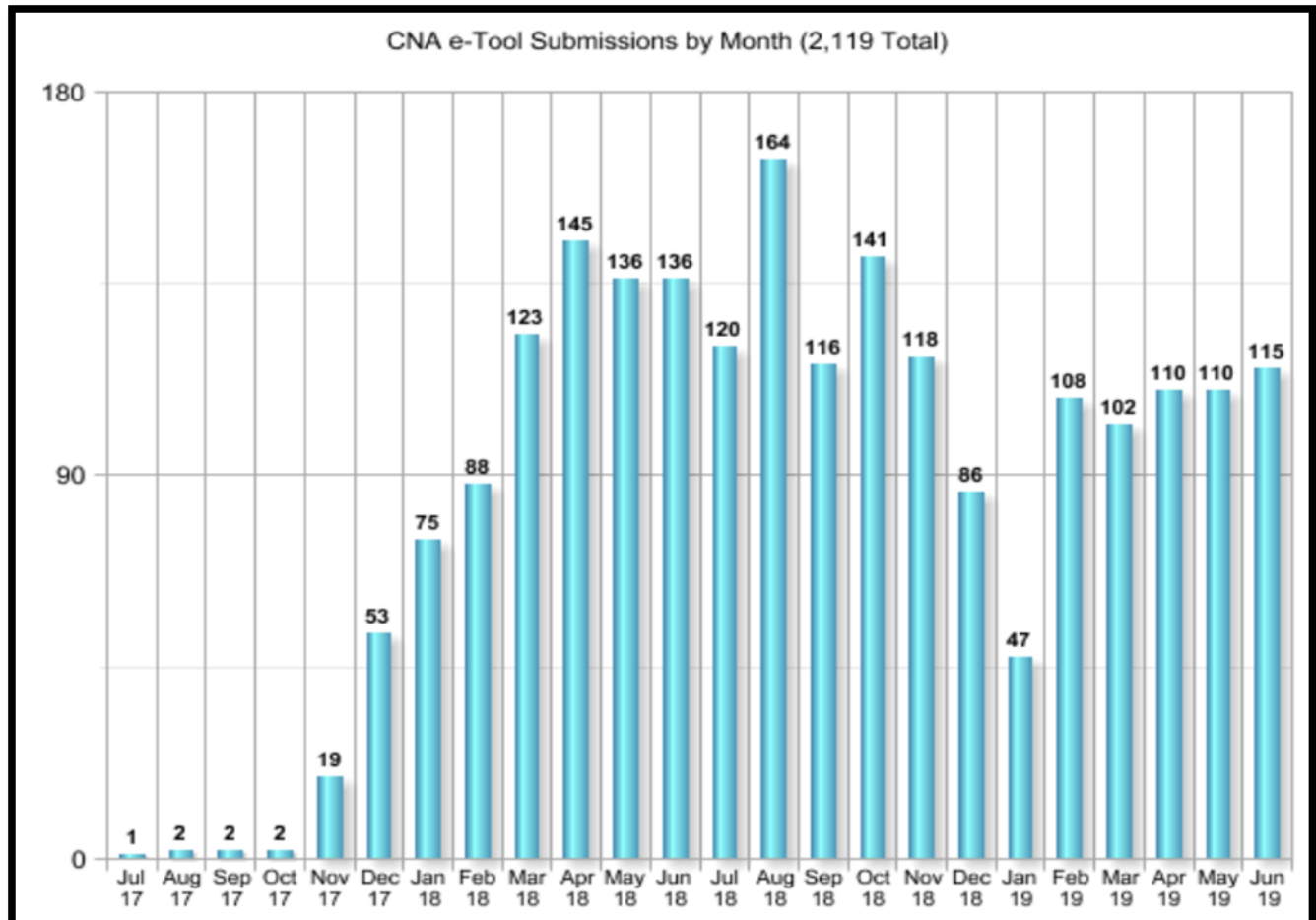
Please direct questions to the AAQ form.

For user access issues, please email CNAaccess@hud.gov.